



# SCOTT AFB NEWS

## UNITED STATES AIR FORCE

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### GOAL / VISION

To provide 1,600 military families access to safe, quality, affordable housing in a joint service community where they will **choose** to live.

### PROJECT OVERVIEW

This project involves a real estate transaction to privatize military family housing at Scott AFB. The Government will lease land for 50 years and convey 1,430 existing housing units and other improvements by quitclaim deed to the Successful Offeror (SO). The SO will:

- Demolish about 300 units (including loss due to conversion) at Scott AFB and construct about 500 units by 31 December 2014.

- Renovate about 350 units including converting some units from 2 bedroom to 4 bedroom resulting in a loss due to conversion of some units by 31 December 2014.

- Maintain 108 Historic Register units, of which 58 will be renovated in accordance with the State Historical Preservation Office (SHPO).

- Meet end-state requirement of about 1,600 housing units.

- Operate and maintain conveyed utilities and other supporting infrastructure systems.

- Preserve housing inventory in good state of repair for entire term.



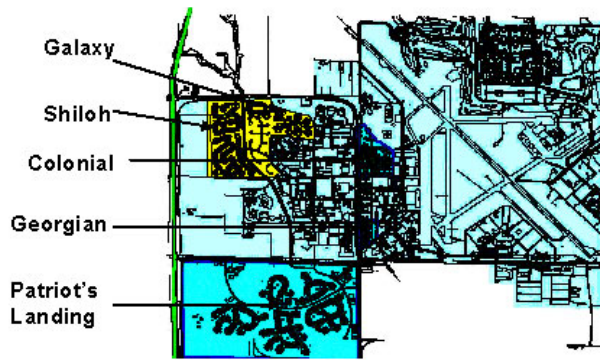
### MARKET OVERVIEW

Scott AFB is located in southwest Illinois, approximately 25 miles southeast of St. Louis and 300 miles south of Chicago. Scott AFB is home to the 375<sup>th</sup> Airlift Wing, under Air Mobility Command (AMC).

The 2008 family housing demand at the installation, based on the December 2003 and anticipated January 2004 Housing Requirement and Market Assessments (HRMAs), is about 1,600 privatized units.

In 2008, Scott AFB is expected to have a total of 5,190 military families and 1,130 unaccompanied personnel assigned to the installation. Currently, enlisted personnel comprise 79% of the Installation's total manning and officers comprise the remaining 21%.

## EXISTING HOUSING AREAS



Scott AFB		Units
Galaxy		87
Shiloh		388
Colonial		97
Georgian		50
Patriot's Landing		808
Total Conveyed		1,430

Scott AFB Development Plan		
Demolished (including loss due to conversion)		300
Renovated (including loss due to conversion)		350
New Construction (includes deficit)		500
As-Is		700
Approximate total after construction		1,600

**NOTE: ALL HOUSING NUMBERS ARE APPROXIMATE**

## THE OPPORTUNITY

*The success of this project is based on long-term commitments between the Government and a Successful Offeror.*

### SCOTT AIR FORCE BASE BRINGS

- Authority to provide a Direct Government Loan.
- 1,430 housing units and improvements.
- Access to utilities.
- Provision for security and fire protection services.
- 50-year land lease of approximately 466 acres. Parcel B, approximately 26 acres, will be leased until FY2020.
- Initial demand for residential family housing.

### THE SUCCESSFUL OFFEROR BRINGS

- A complete and feasible business and financing package.
- Well-developed community plans and quality home designs.
- Demolition of about 300 units (includes loss due to conversions), renovation of 350 units (includes conversions), and construction of about 500 units.
- Quality property management for 50 years.
- Land of sufficient acreage outside Base boundaries to meet density and community planning requirements.

## THE REAL ESTATE TRANSACTION

This project involves a real estate transaction to privatize military family housing at Scott AFB. The Government will lease land for 50 years and convey 1,430 existing housing units and other improvements by quitclaim deed to the Successful Offeror. Air Force real estate agreements will allow the Successful Offeror to acquire appropriate financing and collect revenues from the housing to help finance the project.

The Government will retain ownership of some facilities servicing the overall installation community located within the Scott AFB housing areas. Other community support facilities within the housing areas that directly support the residents, such as fire station, playgrounds and bike paths, will be conveyed to the Successful Offeror.

The majority of primary and secondary utility distribution, collection, and communications systems serving existing housing units will be conveyed to the SO.

The Government has available funding for a direct loan. The basic allowance for housing (BAH) provided to military personnel to pay for housing rent and utilities does not count against the available scoring funds for the project.

Offerors should carefully consider the best possible means of minimizing costs to the Government, while also providing attractive, quality homes in a well-planned community.

## **BUSINESS ARRANGEMENT, FINANCIAL PLAN AND STRUCTURE**

- **Housing Privatization Legislative Authorities:**
  - Sect. 2872a: Utilities and Services
  - Sect. 2873: Direct Loans & Loan Guarantees
  - Sect. 2878: Conveyance/Lease of Existing Property & Facilities
  - Sect. 2880: Unit Size & Type
  - Sect. 2881: Ancillary Support Facilities
  - Sect. 2882c: Lease Payment by Allotments
  - Sect. 2883: Department of Defense Housing Funds
- **Legal Instruments:**
  - Real Property: Ground Lease, Operating Agreement and Quitclaim Deed.
  - Financial: Forward Commitment, Intercreditor Agreement, Note for Government Direct Loan, Mortgage for Government Direct Loan, Lockbox Agreement.
- **Lockbox Accounts:**
  - Lockbox Revenue, Impositions Reserve, Replacement Reserve, Operating Reserve, Windfall Income, Other Eligible Tenant Security Deposit, Utility Reserve, Construction Escrow and Reinvestment.
- **Other Financial Conditions:**
  - All imposed taxes are the responsibility of the Successful Offeror.
  - No cross collateralization with other investments.
  - Long-term developer commitment to the project.
  - The Government Direct Loan is limited to no more than 50% of total debt financing with an interest rate no lower than 1.00%.
  - The debt coverage ratio must not fall below 1.05 for the Government Direct Loan and Private Permanent loan combined.

## **RENT STRUCTURE**

- Military personnel receive their BAH and pay rent to the Successful Offeror by allotment in arrears.
- Referred military tenants pay rent equal to BAH less 110% of expected electric and natural gas charges after units are metered.
- Tenants pay telephone and cable TV charges to respective providers and will pay directly for electricity and gas after all units are metered.
- Rent includes refuse collection, water and sewage.
- All tenants other than referred military families pay a market rent and sign a maximum 12-month lease.

## **DESIGN AND CONSTRUCTION REQUIREMENTS**

### **COMMUNITY PLANNING**

- Improve integration of each housing community within the larger, surrounding community. Increase green space and improve landscaping, utilities, and recreation areas to enhance the overall environment of each neighborhood and improve quality of life.
- Geographic separation between officer and enlisted housing, as well as between grade groupings to the best extent possible.
- Provide efficient and separate vehicular and pedestrian traffic patterns where possible.
- Use community and neighborhood planning principles to create neighborhood identity.
- **Site Designs:**
  - Site designs for new and existing housing areas that provide an interesting, safe, attractive, livable, residential environment with underground utilities.
  - Variety in building groupings, arrangements and siting configurations.
  - Site designs consistent with good land use planning and economics, incorporating greenspace, landscaping, underground utilities and recreation areas.
  - Americans with Disabilities Act (ADA)-compliant sidewalks on at least one side of the street.
- **Site Density:**
  - New construction shall not exceed six duplex units per acre and no more than four single-family units per acre.

• **Recreation/Common Areas:**

- Open areas designed to encourage creative play and learning for children and a pleasant outdoor experience for adults.
- Recreational areas are necessary to ensure that each neighborhood contains one “tot lot” for every 50 units for children 5 years old and under, one play area for every 60 units for children 6 to 12 years of age. Playground equipment and recreation facilities will comply with the Consumer Product Safety Commission, *Handbook for Public Playground Safety*.
- Recreation facilities required include two lighted half-size basketball courts, one lighted regulation size basketball court, one regulation size soccer field, and adequate off-street parking.
- Other outdoor community features, such as combined community and recreational center w/pool, tennis courts, volleyball courts, walking/bike path connecting to existing trails and playground, sheltered group picnic areas, and drinking fountains are desired features.

**Landscaping:**

- Landscaped common areas and building unit perimeters.
- Landscaping and earth shaping techniques that establish privacy screening.
- Landscaping designs incorporating features that conserve water and require minimal maintenance.
- Provide adequate irrigation for landscaped common areas.

**Force Protection:**

- New construction will comply with Anti-Terrorism/Force Protection guidelines, including facility design features and distances between structures or fencing around housing areas

**UNIT DESIGN AND CONSTRUCTION**

- Housing designs and construction will comply with all applicable codes, standards, and regulations, and will be appropriate to the climate and life-style of the area.
- At least 5% of units shall be either handicap accessible or “readily adaptable” to be accessible. The housing units shall comply with Fair Housing Act (FHA) requirements and Uniform Federal Accessibility Standards (UFAS).

**Floor Plans:**

- Floor plans should incorporate an orderly arrangement of functions, circulation and open spaces. Size and layout of rooms should accommodate typical household furnishings and interior design practices.
- Kitchens with a modern, well organized work area with quality fixtures and finishes.
- Living, dining and family rooms.
- Number and layout of bathrooms that follow modern planning techniques and utilize quality fixtures.
- Interior and exterior storage should be maximized.

**Elevations:**

- Overall design provides a pleasing and interesting appearance, comparable to market residential developments.
- Varied rooflines, materials and colors that break up facades on larger structures and prevent uniformity.

**Materials, Equipment, and Finishes:**

- Durable, low maintenance materials, equipment and finishes.
- Finishes with a richness of texture and detailing.

**Energy Efficiency:**

- Design, materials, equipment, and construction methods that meet current Energy Star criteria.
- Design features shall include optimal glass locations and exterior wall, ceiling and party-wall insulation.

**Unit Requirements:** As a minimum, all units to be replaced or renovated will include the following:

- No new units are to be stacked units.
- No more than two units per building for new units.
- Meet or exceed Air Force unit size standards for new units and renovated units by rank.
- Units shall have provisions for parking 1.5 vehicles off-street. All units shall have at least one-car garage with an automatic door opener.

- A kitchen including energy efficient appliances: refrigerator at least 21 cubic feet, built-in two-level dishwasher, 4-burner stove with self-cleaning oven and view window, built-in microwave oven, vent hood exhausting to exterior, carbon monoxide detector, and garbage disposal and cabinets constructed with raised panel doors and concealed hardware.
- Energy-efficient central heating/air conditioning/ventilating systems for each unit.
- One two-wire telephone and one cable television jack per habitable room.
- Dead bolts and peepholes on all entry doors.
- Ceiling fans and overhead lighting in living rooms, family rooms and bedrooms, separately switched at the room entry door.
- Floor finishes, all units shall have high quality, durable, low-maintenance hard finish flooring in kitchen, informal dining area, wet areas, and high traffic areas.
- All units shall have carpet in bedrooms and other living areas.
- Easily accessible hose bibs and exterior electrical outlets.
- Rear porch with patio or deck.
- Bathrooms including vanity sink, water closet, recessed medicine cabinet, mirror, exhaust fan, tub/shower combination with surround and enclosure.

#### **RENOVATION AND OTHER IMPROVEMENTS**

- **Whole-House Renovation:**
  - Renovate to the stricter of Air Force or local market standards following unit requirements identified above unless otherwise stated.
- **Other Improvements:**
  - Improve stormwater system.
  - Construct lift station(s).
  - Provide exterior storage units; possibly grouped by neighborhood.
  - Update/install security fencing.

#### **CONSTRUCTION MANAGEMENT PLAN**

Provide the following plans and schedules and update/revise as necessary to meet project requirements:

- Initial and Out-Year Construction and Renovation Plan.
- Construction Phasing Plan.
- Design Review and Pre-Construction Conference Schedule.
- Transition Plan and Schedule, Demolition Plan, Job Site Safety Plan, Civil and Site Utility Plans, Environmental Plan, Landscaping Plans, Foundation and Framing Plan.
- Unit Floor Plans, Unit Material Finish Schedules and Samples, and Floor Plans and Elevations of supporting facilities.

#### **PROPERTY MANAGEMENT REQUIREMENTS**

- Professionally staffed on-site property management and maintenance staff.
- Property Manager certified by a national real estate management association such as Institute of Real Estate Management (IREM).
- Operations and Maintenance Plan which includes:
  - Transition of Services
  - Periodic Maintenance and Replacement
  - Change of Occupancy Maintenance
  - Landscaping Grounds Maintenance
  - Emergency Maintenance
  - Pavements Maintenance and Repair
  - Utilities Maintenance and Repair
- Tenant leases including eviction and dispute resolution procedures in accordance with Federal and State law process.
- Allow in-home childcare and other in-home businesses, provided applicable permits are obtained.
- Permissible domesticated pet policy.
- Curbside refuse collection and recycling service.
- Utilities and refuse collection for common areas.
- Pest control services.
- Lock and key services.
- Capital Repair and Replacement Plan may include:
  - Long-term renovation and replacement plan
  - Long-term pavement replacement plan

### **PRIORITY PLACEMENT PLAN**

- The Government will not guarantee occupancy, but will provide priority referrals of potential occupants.
- Military families will not be mandated to occupy privatized housing.
- Priority placement for all units is required as follows:
  - Referred Military Members and Families
  - Other Active Duty Military Members and Families
  - Federal Civil Service Employees
  - Retired Military Members and Families
  - Guard and Reserve Military Members and Families
  - Retired Federal Civil Service Employees
  - DoD Contractors and Permanent Employees (US Citizens)
  - General Public
- Units will be held open for referred military, unless occupancy levels fall below 95% for more than three consecutive months.

### **TARGET MILESTONES**

Issue Solicitation	July 04
Evaluate Proposals and Select	Oct 04 – May 05
Close Transaction	Jun 05
Start Construction	Aug 05

### **HOUSING PRIVATIZATION WEBPAGE**

Information is subject to change. Please visit the website below for the latest public information on this housing privatization project. <http://www.jllpsc.com>